

**House Study Bill 705 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act relating to alcoholic beverage drink pods and including  
2 effective date provisions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, Code 2020, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 4A. "*Alcoholic beverage drink pod*" means  
4 a sealed, plastic capsule that is not readily accessible or  
5 intended for consumption unless certain processing procedures  
6 are followed that is composed in whole or in part of alcoholic  
7 liquor, wine, or beer that is combined with other alcoholic  
8 beverages or nonalcoholic beverages or ingredients including  
9 but not limited to ice, water, soft drinks, or flavorings. For  
10 purposes of this subsection, "*processing procedures*" means use  
11 of an appliance designed to release the contents of the plastic  
12 capsule and produce an alcoholic beverage that contains more  
13 than one-half of one percent of alcohol by volume but not more  
14 than twenty-one percent of alcohol by volume.

15 Sec. 2. Section 123.3, subsection 5, Code 2020, is amended  
16 to read as follows:

17 5. "*Alcoholic liquor*" means the varieties of liquor defined  
18 in [subsections 3 and 50](#) which contain more than six and  
19 twenty-five hundredths percent of alcohol by volume, beverages  
20 made as described in [subsection 7](#) which beverages contain  
21 more than six and twenty-five hundredths percent of alcohol  
22 by volume but which are not wine as defined in [subsection 54](#),  
23 high alcoholic content beer as defined in [subsection 22](#), ~~or~~  
24 canned cocktails as defined in [subsection 11](#), or alcoholic  
25 beverage drink pods as defined in subsection 4A, and every  
26 other liquid or solid, patented or not, containing spirits and  
27 every beverage obtained by the process described in subsection  
28 54 containing more than twenty-one and twenty-five hundredths  
29 percent of alcohol by volume, and susceptible of being consumed  
30 by a human being, for beverage purposes. Alcohol manufactured  
31 in this state for use as fuel pursuant to an experimental  
32 distilled spirits plant permit or its equivalent issued by  
33 the federal bureau of alcohol, tobacco and firearms is not an  
34 "*alcoholic liquor*".

35 Sec. 3. NEW SECTION. 123.126B **Alcoholic beverage drink pods**

1 — applicability — manufacture.

2 1. Unless otherwise provided by this chapter, the  
3 provisions of this chapter applicable to beer shall also apply  
4 to alcoholic beverage drink pods.

5 2. Notwithstanding any provision of this chapter to the  
6 contrary, a manufacturer of beer may obtain and possess  
7 alcoholic liquor from the division for the purpose of  
8 manufacturing alcoholic beverage drink pods.

9 Sec. 4. Section 123A.2, Code 2020, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 2A. *“Alcoholic beverage drink pods”* means  
12 the same as defined in section 123.3.

13 Sec. 5. Section 123A.13, Code 2020, is amended to read as  
14 follows:

15 **123A.13 Canned cocktails — alcoholic beverage drink pods —**  
16 **applicability of chapter.**

17 The provisions of **this chapter** that apply to a brewer and  
18 wholesaler of beer shall apply to a manufacturer and wholesaler  
19 of alcoholic beverage drink pods and canned cocktails.

20 Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate  
21 importance, takes effect upon enactment.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with  
24 the explanation’s substance by the members of the general assembly.

25 This bill concerns alcoholic beverage drink pods.

26 Code section 123.3 is amended by adding a definition for  
27 “alcoholic beverage drink pods” and amending the definition of  
28 “alcoholic liquor”. “Alcoholic beverage drink pods” is defined  
29 as a sealed, plastic capsule that is not readily accessible or  
30 intended for consumption unless certain processing procedures  
31 are followed that is composed in whole or in part of alcoholic  
32 liquor, wine, or beer. The bill provides that “processing  
33 procedures” means use of an appliance designed to release  
34 the contents of the plastic capsule and produce an alcoholic  
35 beverage that contains more than 1.5 percent of alcohol by

1 volume but not more than 21 percent of alcohol by volume. The  
2 definition of "alcoholic liquor" is also amended to exclude  
3 alcoholic beverage drink pods.

4 New Code section 123.126B provides that the provisions  
5 of Code chapter 123 applicable to beer shall also apply to  
6 alcoholic beverage drink pods and allows a manufacturer of  
7 beer to obtain and possess alcoholic liquor for the purpose of  
8 manufacturing alcoholic beverage drink pods.

9 New Code section 123A.13 provides that the provisions of  
10 Code chapter 123A that apply to brewers and wholesalers of  
11 beer also apply to manufacturers and wholesalers of alcoholic  
12 beverage drink pods.

13 The bill takes effect upon enactment.